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The EU and Russia in 2008: In Search of New Approaches
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I just published a short paper, which is called "Time to Think of Strategic Bargain with Russia". It is free to download on www.ceps.eu.

New leadership and new negotiations are about to begin everywhere. At the end I will make some remarks on the new dimension and the new presidency in US. The world's heaven and hell were mentioned earlier. I would use a bit less emotional language about the possibility of switching the paradigm in this relationship. New negotiations with the EU have NATO aspect as well.

So the starting position. As it was mentioned this morning, the negotiations with the EU started with difficulties after delay and blockages. And here is a small point as how I would like Russian friends to understand situation, when either Poland or Lithuania or anyone else says "No, we don't agree" and the EU Council go ahead unless. The question is: When does the bilateral issue become the matter of the EU solidarity? And I think the answer is quite simple – it is when the issue raises either matters of common interests or touches matters of perceived common values and principles. And this is really the point – it is alive all around the EU neighbourhood. Wherever the EU observes Russian foreign policy behaviour, what is used in diplomatic language as cursive overtones, it has been perceived as a cursive. That is the red card issue all around the European Union.

Now this objection is expressed with different degrees of strengths, but nevertheless, when some of these specific issues of individual countries are plugged into the EU Foreign Ministers meetings, the issues of solidarity come up. So, it is not just a bilateral business.

So, what could change the paradigm? It is question between a position A and a position B. Position A is that Russia at the EU will be the semi-insider and the semi-outsider at the same time. And position B is that Russia will be on progressively more intense integration part. Interesting point here is that either of these two positions can be equilibrium positions in sense that the actual foreign policy is set of 20 – 30 action points in any time. These action points can call on unifying line. It can try to profit on that role or it can try to be insider. How to give expression and how to give operational content to the B - to the international point of switching the paradigms from the present situation? The present situation is the position A.

It should have four components. One is NATO, second is called the EU agreement, third is called Ukraine in brackets and the forth concerns the frozen conflicts. I think now is the time to concern radically on the Russia – NATO relationship. And the conceivable perspective of Russian membership in NATO is not a ridiculous idea. Russian membership in the EU is in quite friendly way inconceivable. The EU law should be rumbled down the Russian throat and Russian institutions are just simply too many for the Russians body politics etc. We can have very deep relationship with Russia, but not the membership. The NATO conceivably could be a membership question, because NATO already has been transformed by itself from a being collecting defense mechanism to being a comprehensive security cooperation organization. And you only need to read the Bucharest document with list of many items, all of which matters the potential interests between Russia and NATO.

So, the EU now has three hard points in the negotiations: visa free travel, free trade and mutual investment in energy. Each of these items is a conceivable candidate for a strategic action. The new technologies, as biometrical passports, are greatly part of movement towards visa free regime, while respecting security concerns. Free trade business now is controversial within the Russia, but I would like to make the argument that Russia should think again. Views differ in Russia, but still there is strong conservatism about the WTO membership and free trade in Russia. Money has problems with inflation and it has problem of non-competitively in non-resource sector. Free trade is good for both those problems and therefore could be put on the agenda.

I will just make some energy investment points. The Olympic Champion of unbundling is not in Europe, he is in Russia. His name is Anatoly Chubais who in restructuring electricity sector did the biggest unbundling the world has ever known. Mr. Medvedev and Mr. Putin were organizing a job switch. Maybe you would like to become chairman of Gazprom and have an open mandate to the restructuring the Russian gas sector. I would like to see that happening and it would probably be very beneficial.

NATO with an open door for Russia within 15 years would make a part of dialogue. I think there should not be a problem for the EU and NATO to handle Ukraine membership perspective.

And finally - the frozen conflict. It is George's business and it is very horrible at the moment – both sides beating each other. This is incompatible in the 21st century. Moldova affair is easier to resolve and I also want to carry back war talk from Baku. All of these cases need to be solved. And if there was a real will and a framework favorable to do so, then it can be done.

Final remark concerns the next US presidency. It is becoming increasingly obvious that Barak Obama will be the next president and everybody in Europe hopes that this will be the case. Some are more skeptical, because anything can happen in the politics. But the point is not to forecast opinion pools, but that difference between Obama and McCain is really big. MacCain is nice old warrior, but Obama is a man who will be open to modern ideologies and it is very important for Russia. When the Obama comes, I see the grounds for the ideological and political convergence across the Atlantic and Bush, who has been and embarrassment for all democrats in Europe, would be out of the way. It would be very important implication for the battle of ideological competition within the last years. It won't be easy battle, but with Obama there would be a closer relations between the US and EU. Ideological battle would present itself in much easier terms and it would be better for us to try to achieve positive ideological convergence.

Thank you!